American Iron and Steel Association

Letter to the Secretary of the Treasury

[Philadelphia]

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LETTER TO THE SECRETARY OF THE TREASURY.

Office of The American Iron and Steel Association,
No. 261 South Fourth street, Philadelphia, November 10, 1885.

Hon. Daniel Manning, *Secretary of the Treasury.*

Sir: This Association has already acknowledged the receipt of your circular letter, dated July 17, 1885, in relation to the collection of information concerning customs duties on foreign products; also your personal communication of the 21st of the same month, requesting the co-operation of the Association in collecting so much of this information as is desired from the iron and steel manufacturers of the country. In our replies to the communications referred to we have expressed our entire willingness to aid in the collection of information from these manufacturers. At the same time we expressed the opinion that the value of our work would be impaired if the Department should also address its inquiries directly to individual manufacturers. We now regret to say that the information we have obtained is not so full or so comprehensive as we have desired that it should be.

The American Iron and Steel Association embraced on the 1st of January of the present year 171 companies, 77 firms, and 22 individuals, or a total of 270 members. This membership was directly identified with the manufacture of iron and steel in every form in every State of the Union that contains an iron or steel industry. Besides this absolute membership the Association regularly corresponds with all other iron and steel manufacturers in the United States.

Suitable interrogatories were promptly prepared, and application for the desired information was made early in August last to all iron and steel manufacturers. (In the phrase "iron and steel manufacturers" we include the owners or operators of blast furnaces, rolling mills, and steel works, and the producers of hammered iron blooms.) Early in September we again addressed all

manufacturers who had not responded to our first communication. Copies of the interrogatories referred to and of the circular letters accompanying them were promptly transmitted to the Treasury Department. Of the more than 550 companies, firms, and individuals addressed by the Association less than one-fourth have responded in writing; of this number several have refused to give any information whatever and many others have given very imperfect information. Some have doubtless addressed the Department directly, and we understand that replies will also be made by a few organizations representing special iron or steel interests. Of the large number who have not formally responded to the interrogatories of the Association many have personally given reasons for not responding which were similar to those assigned by others in writing. This unwillingness or refusal to respond to a call for information from the officers of, this Association is an experience to which we are entirely unaccustomed.

The inquiry naturally suggests itself, Why has the information been withheld by so many manufacturers? Various reasons for this action may be assigned. Many manufacturers do not keep their accounts with sufficient minuteness to enable them to give the information requested; others naturally shrink from exposing the details of their business to any person, fearing that they might even by accident be seen by their rivals; others do not care to take the trouble to compile the details; others believe that the details if given would fall into the hands of Government officials who are not experts, and who would, therefore, be liable to misunderstand or misconstrue them; while others again decline to give information because they are earnestly opposed to any further revision of the tariff, and think that if they would give the details requested they would thereby be committing themselves to the support of a policy which they do not believe in. Whether or not all these reasons can be accepted as satisfactory we must respect the bookkeeping difficulties, the earnest convictions, and even the timidity of business men who represent large interests and have much at stake.

THE CIRCULAR LETTER CONSIDERED.

The circular letter from the Department to manufacturers deals with two important subjects: first, the question of substituting specific for *ad valorem* duties as a remedy for frauds on the revenue, and, second, the comparative cost of production of manufactured articles in this country and in other countries. In connection with the first of these subjects suggestions are requested concerning the feasibility of simplifying the tariff by the general substitution of specific rates of duty. We will consider these subjects in order.

SPECIFIC AND AD VALOREM DUTIES.

The Department's circular letter says: "Investigations of the methods of entry and appraisement of imported merchandise have shown that the tariff laws are largely evaded by undervaluation wherever the duties are levied *ad valorem.* A remedy suggested for this evil is the adoption of specific duties." We give our hearty assent to this remedy so far as its adoption is possible without detriment to the revenues of the Government or injury to domestic industries. Specific duties are certain, constant, and easily ascertained; *ad valorem* duties are uncertain, variable, fruitful of controversy, and exceedingly liable to fraudulent evasion. One very common method of evasion was clearly explained by the New York *Times* in its issue for September 25, 1885.

> A concern in France, for instance, may ship a lot of goods to its representative here. The goods may be of a special quality to which no common standard of value can be applied by the Appraiser. Under such circumstances it is not easy for the Appraiser to get at the real value. Frequently in instances of this kind the invoices are made out at a very low figure to enable the consignee to evade the payment of the full amount of duties that would be imposed on an honest valuation. This systematic undervaluation not only cheats the Government but it is rapidly driving the domestic importer to the wall. The latter, not being in collusion with the foreign manufacturer, of course gains no advantage.

We note with pleasure the vigorous efforts that are now being made by the Treasury Department to check all undervaluations of foreign merchandise that is imported into the United States. As protectionists, anxious for the prosperity of our whole country and of all its industries, we are especially thankful that a policy has been adopted and adhered to in the management of our custom houses that insists upon the full measure of protection for these industries that is contemplated by our tariff laws. Duties levied for protection as well as for revenue are of little avail as a shield against foreign competition if they are not strictly enforced.

Many domestic industries have been credited with possessing a degree of protection which they have not really enjoyed because of the lax administration of the law which has been made possible by *ad valorem* duties. The British Government now levies only specific duties, with one exception, and for years before it abandoned protective duties its policy was largely the same. Our own conspicuously *ad valorem* tariffs of 1846 and 1857 had no precedent in the modern history of Great Britain. It must be added, however, that British duties, whether they have been specific or *ad valorem*, have always been most rigorously enforced.

But *ad valorem* duties can not be wholly dispensed with, even if the risk of undervaluations must continue. In justice to the revenue, the domestic manufacturer, and the domestic consumer there are many articles which can not wisely be subjected solely to specific duties. Gloves and hosiery, watches and jewelry, cutlery and fire-arms, machinery, silks, velvets, and satins, clothing, cloths, and fine carpets, for instance, having varying values, could not properly be subjected to specific duties alone at so much per pound or per yard. Such articles must continue to be subjected to *ad valorem* duties, and some of them to both specific and *ad valorem* rates.

The duties which are now imposed on iron and steel and manufactures thereof are chiefly specific. We do not recommend any change from specific to *ad valorem* rates in any of these duties. The few articles of iron and steel that are subject to *ad valorem* rates alone are as follows. The paragraphs are given as numbered in the Indexed Tariff of the Treasury Department.

148. Bar iron, rolled or hammered, and all iron in slabs, blooms, loops, or other forms less finished than iron in bars, and more advanced than pig iron, except castings, shall pay a duty of *thirty-five per centum ad valorem* whenever the specific rates provided for these articles would not yield this proportion of their invoice value.

151. Sheet iron thinner than number twenty-nine wire gauge, and all iron commercially known as common or black taggers iron, whether put up in boxes or bundles, or not, *thirty per centum ad valorem.*

155. Iron and steel cotton-ties, or hoops for baling purposes, not thinner than number twenty wire gauge, *thirty-five per centum ad valorem.*

174. Circular saws, *thirty per centum ad valorem.*

175. Hand, back, and all other saws, not specially enumerated or provided for, *forty per centum ad valorem.*

177. Steel ingots, cogged ingots, blooms, and slabs, by whatever process made; die blocks or blanks; billets and bars and tapered or beveled bars; bands, hoops, strips, and sheets of all gauges and widths; plates of all thicknesses and widths; steamer, crank, and other shafts; wrist or crank pins; connecting-rods and piston-rods; pressed, sheared, or stamped shapes, or blanks of sheet or plate steel, or combination of steel and iron, punched or not punched; hammer-moulds or swaged steel; gun-moulds, not in bars; alloys used as substitutes for steel tools; all descriptions and shapes of dry sand, loam, or iron-moulded steel castings, all of the above classes of steel not otherwise specially provided for, valued at four cents a pound or less, *forty-five per centum ad valorem.*

183. Steel, not specially enumerated or provided for, *forty-five per centum ad valorem.*

197. Cutlery, not specially enumerated or provided for, *thirty-five per centum ad valorem.*

199. Steel plates, engraved, *twenty-five per centum ad valorem.*

202. Muskets, rifles, and other fire-arms, not specially enumerated or provided for, *twenty-five per centum ad valorem.*

203. All sporting breech-loading shot-guns, and pistols of all kinds, *thirty-five per centum ad valorem.*

204. Forged shot-gun barrels, rough-bored, *ten per centum ad valorem.*

205. Needles for knitting or sewing machines, *thirty-five per centum ad valorem.*

206. Needles, sewing, darning, knitting, and all others not specially enumerated or provided for, *twenty-five per centum ad valorem.*

207. Pen-knives, pocket-knives, of all kinds, and razors, *fifty per centum ad valorem;* swords, sword-blades, and side-arms, *thirty-five per centum ad valorem.*

208. Pen-holder-tips and pen-holders, or parts thereof, *thirty per centum ad valorem.*

214. Chromate of iron, or chromic ore, *fifteen per centum ad valorem.*

215. Mineral substances in a crude state and metals unwrought, not specially enumerated or provided for, *twenty per centum ad valorem.*

216. Manufactures, articles, or wares, not specially enumerated or provided for, composed wholly or in part of iron, steel, copper, lead, nickel, pewter, tin, zinc, gold, silver, platinum, or any other metal, and whether partly or wholly manufactured, *forty-five per centum.*

We do not suggest any changes in the rates of duty named in any of these paragraphs except in those numbered 151, 155, 177, and 183. *Ad valorem* rates in all these paragraphs except those named appear to us to be absolutely necessary to secure to the Government the revenue to which it is justly entitled and to guard

the domestic manufacturer against destructive foreign competition. The character of the articles mentioned in these paragraphs will show at a glance that duties levied by weight could not equitably to any interest be imposed on any of them. There remain then for our consideration the duties imposed in paragraphs 151, 155, 177, and 183.

In paragraph No. 151 the duty on common or black sheet iron thinner than number 29 wire gauge and on common or black taggers iron is stated to be 30 per cent. *ad valorem.* Experience has shown that this duty is too low to be protective of our sheet iron manufacturers who are prepared to manufacture the finer qualities of sheet iron and taggers iron, the latter being the thinnest sheet iron that is made. The duty is entirely out of harmony with the duties on thicker sheet iron. The thinner the sheet iron the more labor is employed upon it and the more valuable it is; hence the duty imposed upon it should be higher than on thicker sheet iron. But the duty of 30 per cent. on sheet iron thinner than number 29 and on taggers iron is really much less than that which Congress has imposed on the thicker forms of sheet iron. The specific duty on sheet iron thicker than number 29 ranges from $1\frac{1}{10}$ cents to $1\frac{1}{2}$ cents per pound. An examination of the Government statistics shows that in the fiscal year 1884, which was the first under the tariff of 1883, there were entered for immediate consumption and withdrawn from warehouse 1834 tons of taggers iron, valued at $119,759, the *ad valorem* duty upon which amounted to $35,927.70, or $19.60 per ton, which is less than one cent per pound. In the same fiscal year 10 tons of sheet iron thinner than number 29 were entered and withdrawn, valued at $717, upon which an *ad valorem* duty of $215.10 was paid, or $21.51 per ton, which also is less than one cent per pound. The probability is that a large portion of the 1834 tons of "taggers iron" was really sheet iron of sizes near to but thicker than number 29, and it should therefore have paid a specific duty. It is no wonder that the manufacture of taggers iron is not to-day an American industry, and that the manufacture of thin sheet iron is a sickly industry. The duty on the thinnest forms of sheet iron up to taggers iron gauges, which begin with number 36, should certainly be as high as that on number 25 to number 29, which is $1\frac{1}{2}$ cents per pound, while taggers iron should pay a still higher duty.

In paragraph No. 155 the duty on cotton-ties is stated to be 35 per cent. *ad valorem.* This duty has been found to be inadequate for the protection of our cotton-tie manufacturers, very few cotton-ties being now made in this country. In the fiscal year already referred to there were entered and withdrawn for consumption 16,182 tons of foreign-made cotton-ties, aggregating in value at the places of manufacture $540,240.57, and paying a duty amounting to $189,190.78, or $11.70 per ton, which is but little more than $\frac{1}{2}$ cent per pound. The inadequacy of the 35 per cent. *ad valorem* duty as a check to foreign competition is seen in the very large importations of the last few years, and its absurdity and injustice will be made strikingly apparent when it is compared with the higher duties on bar iron. Cotton-ties require very much more labor than bar iron, and their cost is therefore much greater. The action of Congress in imposing an *ad valorem* rate which yields but little more than $\frac{1}{2}$ cent per pound is one of those obvious errors in legislation which should be speedily corrected. Of course there is good ground for the suspicion that the foreign cost is undervalued. The duty should be made specific, and should not be less than that which is charged on the smallest sizes of bar iron, namely, $1\frac{1}{10}$ cents per pound.

In paragraph No. 177 the duty on various enumerated forms of steel, valued at 4 cents per pound or less, is stated to be 45 per cent. *ad valorem.* A valid objection to this duty is that it opens the door to undervaluations upon a large class of miscellaneous steel products. In the fiscal year 1884 there were entered and withdrawn from consumption, under the *ad valorem* rate of duty, 12,786 tons of steel bars and billets, valued at $370,879, upon which the duty amounted to $167,470.76, or $13.10 per ton; also 5,156 tons of steel ingots, blooms, and slabs, valued at $120,560, upon which the duty amounted to $54,252, or $10.52 per ton. The average duty collected on all these articles was a very small fraction more than $\frac{1}{2}$ cent per pound. There would appear to be no sufficient check upon the obvious temptation to enter for duty steel worth 2 and 3 cents a pound at one cent or even less per pound. Apart from this consideration there is a manifest impropriety in subjecting steel valued at 4 cents per pound or less to an *ad valorem* duty which realizes only about $\frac{1}{2}$ cent per pound, while steel valued above 4 cents per pound and less than 7 cents

is made dutiable at 2 cents per pound. A classification of this kind is sure to invite fraud in entering steel in the 4-cent clause which should be invoiced above 4 cents. The 45 per cent. *ad valorem* duty on steel valued at 4 cents per pound or less should be changed if possible to a specific duty approximating that which is imposed on steel valued above 4 cents. This would tend to prevent frauds and afford more adequate protection to domestic steel manufacturers. If it be objected that much of the steel that is imported under the 45 per cent. duty is worth very much less than 4 cents per pound, we reply that the *cheapness* of foreign products is the feature of foreign competition against which protective duties are required. If duties are made sufficiently high to be adequately protective home competition may be depended upon to keep home prices within reasonable limits.

In paragraph No. 183 the duty on steel not specially enumerated or provided for is also given at 45 per cent. *ad valorem.* This provision can not be objected to *per se,* but objection may properly be made to its covering articles which should have been specifically enumerated. We mention one conspicuous illustration, namely, steel wire rods lighter than number 5 wire gauge, and valued at $3\frac{1}{2}$ cents or less per pound. They are nowhere provided for by name, but both iron and steel wire rods above number 5 are enumerated. Why should the finer and more valuable product be placed in an omnibus clause, and subjected to an *ad valorem* rate which may be evaded, while the coarser forms of the same article are carefully enumerated and subjected to a specific rate? Considerable quantities of wire rods lighter than number 5 are imported, and although the Government does not advise us of the quantity and value of these importations we are informed that the foreign invoice yields to the revenue about $11.50 per ton, which is less than the duty of $\frac{6}{10}$ cent per pound, or $13.44 per ton, which is imposed on the less valuable wire rods not lighter than number 5. By making the duty $\frac{8}{10}$ cent per pound on wire rods lighter than number 5, and valued at $3\frac{1}{2}$ cents or less per pound, it would harmonize with that on the larger gauges, and our wire-rod manufacturers would not be subjected to unfair competition, of the injurious effects of which they justly complain.

In dismissing that part of the circular letter which relates to the substitution of specific for *ad valorem* duties we call special attention to the fact that, even if it were possible always to secure honest valuations, *ad valorem* duties do not afford protection to domestic manufacturers when it is most needed. When foreign products are entered at low prices *ad valorem* rates yield correspondingly low duties, and this happens when the imported products by their cheapness most dangerously menace the home manufacture of like products. If pig iron, for instance, were subject to an *ad valorem* rate of 50 per cent. the duty would be $5 per ton when the foreign value is $10, and it would be $7.50 per ton when the foreign value is $15. It will readily be seen that the domestic manufacturer would need the $7.50 duty more when foreign pig iron is $10 per ton than he would need $5 duty when it is $15 per ton. We believe, therefore, that, whenever it is practicable, and not positively injurious to any American interest, specific duties should be substituted for *ad valorem* rates.

SPECIFIC DUTIES WHICH ARE TOO LOW.

In this connection it seems proper that due consideration should also be given to certain specific duties in the metal schedule which are nominally imposed for the protection of domestic manufacturers but which really protect only their foreign rivals. We allude to the duty of one cent per pound on tin plates and to the duty of $\frac{6}{10}$ cent per pound on iron and steel wire rods not lighter than number 5. That these duties are not adequately protective is shown by the most significant facts. This country does not manufacture one box of tin plates, Great Britain supplying our entire demand. Our iron wire-rod industry is practically an extinct industry, Sweden and Germany now making nearly all the iron wire rods we need. Our steel wire-rod industry is subjected to the severest competition with the same industry in Germany and Great Britain. The following statement of our importations of tin plates and iron and steel wire rods in the fiscal year 1884 is compiled from the Government statistics, but it must be borne in mind that more steel wire rods are imported than these figures indicate, owing to the grouping of rods lighter than No. 5 with "steel not specially enumerated or provided for."

Articles.	Gross tons.	Value.	Duty collected.
Tin plates	235,661	$18,931,072.70	$5,278,848.25
Iron wire rods	35,839	1,569,397.52	481,671.04
Steel " " not lighter than No. 5,	50,158	1,812,957.71	674,162.55

The magnitude of the importations of tin plates is yet more significantly shown in the following table of the total importations and withdrawals from warehouse for consumption of iron and steel and iron ore in the fiscal year above mentioned.

Articles.	Value.	Per cent. of whole value.	Duty collected.	Average *ad valorem.*
Tin plates	$18,931,072.70	44	$5,278,848.25	27.88
All other iron and steel	23,986,674.66	56	9,531,213.07	39.69
Total	$42,917,747.36	100	$14,810,061.32	34.48

From this table it will be seen that 44 per cent. of the total importations of iron and steel entered and withdrawn from warehouse for consumption in the fiscal year 1884 consisted of tin plates, the specific duty of one cent per pound on which was equivalent to about 28 per cent. of their foreign value. That the importations of tin plates in the fiscal year 1884 were not exceptionally large is shown by a further reference to the Government statistics. The importations of tin plates in the last five calendar years were as follows:

Calendar Years.	Gross tons.	Value.
1880	158,049	$16,478,110
1881	183,005	14,886,907
1882	213,987	17,975,161
1883	221,233	18,156,773
1884	216,181	16,858,650
Total	992,455	$84,355,601

These figures show that in five years we have imported nearly a million tons of tin plates, for which we paid the British manufacturers nearly $85,000,000. If there had existed any necessity for this large importation, as in the case of articles that this country is not capable of producing, its magnitude might be worthy of only a passing thought; but it is a most serious matter to send $17,000,000 annually out of the country to pay for an article which we could ourselves produce if the Government would foster its manufacture as it has fostered and is still fostering other useful industries. Tin plates are only sheet iron or sheet steel coated with tin, or with a mixture of tin and lead, and it will not be contended by any intelligent person that we could not make them as easily as they are made in England and Wales. Our skill as iron and steel manufacturers is equal to that of any other people; we produce our own lead, and we can obtain tin from the same countries which supply Great Britain. The only reason why we do not make the tin plates that we need is the insufficiency of the duty, which is not equal to the difference in the cost of production in this country and in Great Britain. The duty should be at least doubled; instead of being one cent per pound it should be at least two cents. The present duty is a purely revenue duty; it protects no American interest, but gives to British manufacturers the monopoly of supplying our markets with tin plates.

Tin plates are a highly-finished metallurgical product, and much labor and skill are required in the final stages of their manufacture. But it is well to consider also the vast quantities of raw materials and the vast amount of labor that enter into the primary and intermediate stages of the production of so large a quantity of foreign-made tin plates as this country annually consumes. Why should we not utilize our own resources for the manufacture of the tin plates we need? Why not employ our own labor instead of the labor of another country in supplying this want? Establish in this country a tin-plate industry through the agency of a protective duty, and the same beneficial results to consumers that have followed the establishment of our steel-rail industry may confidently be looked for. No American industry that has been adequately protected has ever increased to consumers the cost of its products. If we had a thoroughly protected tin-plate industry it would form no exception to this rule.

The duty on iron wire rods under the tariff which was in force prior to the 30th of June, 1883, was 1¼ cents per pound, and that on steel wire rods was 30 per cent. *ad valorem.* The present duty of $\frac{6}{10}$ cent per pound on iron wire rods has greatly increased their importation and correspondingly decreased their domestic production. Many of our iron wire-rod mills were compulsorily closed soon after the new duty went into operation, and they remain closed to-day. The old duty of 1¼ cents per pound should be restored. The duty on steel wire rods not lighter than number 5 wire gauge and valued at 3½ cents or less per pound was changed by the act of March 3, 1883, from 30 per cent. *ad valorem* to $\frac{6}{10}$ cent per pound. The new duty is not so protective as it should be, importations still being large, as the statistics we have given will show.

The demand for iron and steel wire rods has greatly increased in this country in recent years, chiefly because they are the raw materials for telegraph and telephone wire and wire fencing, as well as for other purposes. It is a matter of importance, therefore, that we should properly encourage the manufacture of both these products, which in the primary, intermediate, and finished processes of their manufacture require much labor and consume large quantities of the raw materials which enter into all iron and steel products. No consuming interest can suffer by the manufacture at home of all, or nearly all, these articles that are needed to supply the domestic demand. Such protection as has been given to our steel wire-rod industry has certainly not increased the cost of wire fencing to the American farmer. It never was so cheap as it has been during the past twelve months.

FURTHER CONSIDERATION OF THE DUTIES ON IRON AND STEEL.

The value of all the iron and steel and manufactures thereof and iron ore that was entered and withdrawn from warehouse for consumption in the fiscal year 1884 was $42,917,747.36. The duty collected on these iron and steel commodities was $14,810,-061.32. The average *ad valorem* rate on the whole importation of iron and steel and manufactures thereof and also on iron ore was 34.48 per cent. This average is low notwithstanding the fact that the fiscal year 1884 was a year of low prices, which had the effect of advancing the *ad valorem* equivalents of specific duties. The average is also low when compared with the average duty collected on all dutiable goods entered for consumption and withdrawn from warehouse in the fiscal year 1884, which was 41.61 per cent. These statistics are presented to show that our iron and steel industries enjoy no undue advantage in the present tariff over other industries. On the contrary, we have pointed out some of the disadvantages which have been imposed on them by the new tariff.

There are certain theorists who contend that, because pig iron can be cheaply made in some Southern States, a protective duty on this article is not needed by the country at large, and that the South should be permitted to make all the pig iron that the country requires. This is a very short-sighted view, even if it were possible for the South to supply so large a quantity of pig iron. Because there is natural gas at Pittsburgh shall all the bar iron

and all the nails and all the glass that the country needs be made there? Because cotton goods can be cheaply manufactured in New England shall no other section of the country build cotton factories? Because the valleys are fertile shall the hillsides not be cultivated? We rejoice at the rapid growth of the pig-iron industry of the South, but the best friends of this industry see clearly that its prosperity could not have been achieved without the help of a protective duty. The principal market for Southern pig iron is in the North, and to reach this market from $3 to $4 per ton must be paid for freight. This freight brings the cost of Southern pig iron at the places where it is consumed in line with the cost of Northern pig iron. If a purely revenue duty, in other words, a low duty, had been imposed on foreign pig iron in recent years Southern pig iron would have been compelled to meet a more active foreign competition and lower prices in the North than it has encountered, and if it had met with this opposition its manufacture certainly could not have prospered. Reduce the duty on pig iron to-day and the Southern pig iron that is now sold in the North would largely be replaced by the still cheaper foreign pig iron. We prefer to see Southern pig iron coming North in increasing quantities rather than to see an increase in our consumption of foreign pig iron; we put the prosperity of every section of our own country before that of any other country.

Objection is sometimes made to the imposition of any duty on iron ore because it is a raw material, a free gift of nature. There are honest differences of opinion among believers in the protective policy concerning the amount of the duty which should be imposed on this article, but there can be no difference of opinion among them concerning the duty of the Government to shield from injurious foreign competition every American industry that is in need of its fostering care. Our iron-ore industry is unquestionably such an industry. We have iron ore in abundance in many States. The unrestricted importation, that is to say, the free importation, of foreign iron ore would have a strong tendency to close many of our own iron-ore mines and to reduce the wages of the workingmen who would be employed in operating the remainder. We protest against the adoption of this policy, which is based upon the theory that iron ore is a raw material. When taken from the mine and marketed it is the product of labor; its value is almost entirely due

to the labor that is employed in its development. Ignore the claims to protection of the American iron-ore industry, because iron ore is a raw material, and with as much reason the claims to protection of almost every other American industry could be ignored. Pig iron is a raw material to the bar-iron manufacturer, and bar iron is a raw material to the car builder and the wagon and carriage manufacturer. The principle involved in the protection of the iron-ore producer is precisely the same as that which is involved in the protection of the pig-iron manufacturer and the bar-iron manufacturer. Protectionists could not consistently or justly assent to a policy which would shield from injurious foreign competition the domestic capital and labor that are enlisted in some industries and at the same time expose to this competition another industry which also employs home capital and home labor. Protection to American industry is a principle and not an expedient. Iron and steel manufacturers therefore do not wish to see iron ore placed in the free list, or bituminous coal and coke.

THE COST OF PRODUCING IRON AND STEEL.

We now come to consider that part of the circular letter which relates to the comparative cost of production of manufactured articles in this country and in other countries. Owing to circumstances which have already been explained we are unable to present detailed statistics of the cost of production of iron and steel in this country. Only fragmentary information has been received. Such information as we may give will not pretend to embody perfect averages of cost of production for the whole country.

With regard to the cost of producing iron and steel in competing countries we have not believed it to be necessary to attempt to ascertain the elements of this cost, assuming that for all practical purposes the prices at which these products have recently been sold may be accepted as an approximation to their actual and usual cost. Foreign iron and steel markets have not recently been excited from any cause, while it may truthfully be said that low prices are the rule rather than the exception in all European countries. Economic conditions are more circumscribed and exacting and therefore more stable in those countries than in our own; labor is more at the mercy of capital; foreign markets are more sought after; hence prices and cost of production are always low-

er and more uniform than with us. In such illustrative references as we may make to foreign competition with our own people in the manufacture of iron and steel we shall assume, therefore, that the foreign price to-day approximates the usual foreign cost.

The returns which we have received of the average cost of production of pig iron at a number of blast furnaces in 1882, 1883, and 1884, while possibly varying from a true average of this cost for the country at large, enable us to reach the true relation of the cost of the labor employed in producing a ton of pig iron to the cost of all the other elements entering into its production. Of these furnaces some used anthracite and bituminous coal and others used charcoal. The returns show that the total average cost of producing a gross ton of pig iron at these furnaces in the years mentioned was as follows:

	Anthracite and bituminous.	Charcoal.
Labor in producing raw materials	$10.26	$9.62
Labor in transporting raw materials	1.78	3.17
Labor at furnace, including repairs	1.91	2.44
Total cost of labor	$13.95	$15.23
Taxes, insurance, commissions, office expenses, interest, freight, traveling expenses, royalties, etc	5.22	5.18
Total cost of a ton of pig iron	$19.17	$20.41
Percentage of labor cost to total cost	73	74

The anthracite and bituminous furnaces referred to above used an average of 2.08 tons of iron ore, 1.54 tons of fuel, and 1.04 tons of limestone in making a ton of pig iron, and the charcoal furnaces used an average of 2.3 tons of iron ore, 137 bushels of charcoal, and .29 ton of limestone. The furnaces which supply the foregoing averages are widely separated, some are old-fashioned in construction, and few of them use the rich ores of Lake Superior. All are, however, among our good and well-managed furnaces, but only a few are among the newest and best equipped.

We have taken the average of the years 1882, 1883, and 1884, instead of the present year, for the reason that labor in the iron industry in this country is paid less in 1885 than it should receive, and less than it has been accustomed to receive. The average wages paid in 1882, 1883, and 1884, which, taken together, were years of fair prosperity for this country, can not be taken exception to.

The foregoing details show that 73 per cent. of the cost of producing a ton of pig iron with anthracite or bituminous coal in the

years mentioned was paid in wages to labor, and that 74 per cent. of the cost of producing a ton of charcoal pig iron in the same years was similarly paid. Taking these percentages, and assuming, as we may correctly assume, that the same proportions hold good from year to year, we find that labor—the labor which toils hard with its hands and with bent back—receives very nearly three-fourths of the cost of producing a ton of pig iron in this country. This calculation excludes clerical labor, and the labor of the tax-gatherer, the insurance agent, the commission merchant, and all others. The workingman, therefore, has the greatest stake in the duty which protects our pig-iron industry against the competition of the foreign producer of pig iron.

What is the measure of this competition? Primarily, and for present purposes of comparison, it is the price at which foreign pig iron is sold for shipment to our market. As we have already explained, the present prices of iron and steel abroad may be regarded as approximating the usual prices of these articles, and pig iron forms no exception to this rule. We find by reference to the foreign market reports for October last that the prices of English and Scotch pig iron were then as follows:

Nos. 1, 2, and 3 West Coast hematite (Bessemer) f. o. b.,	43s. 6d.	($10.58)
No. 1 Middlesbrough (Cleveland cold-short) f. o b. ship,	37s. 0d.	($9.00)
No. 1 Eglinton (Scotch) alongside ship	43s. 0d.	($10.45)
No. 1 Coltness (Scotch) alongside ship	48s. 6d.	($11.80)

It will be seen from a comparison of these figures with those given above that the price per ton at which foreign pig iron can be put on board vessels for shipment to the United States is several dollars *less* than the *labor cost* of a ton of pig iron in this country when the wages paid are an average of those which prevailed in 1882, 1883, and 1884. The highest price above quoted for foreign pig iron is $11.80, while the lowest average labor cost of a ton of pig iron in this country in the years named was $13.95. This cost was, however, only 73 per cent. of the total cost, and if allowance be made for the remaining 27 per cent. of this total cost it will be seen at a glance that the present duty of $6.72 per ton on pig iron is not equal to the difference between the total cost at home and the price abroad. The cost of transporting pig iron from European to American seaports is no hindrance to its sale in our markets. The freight on pig iron from Glasgow to New York was only 50 cents per ton in October of the present year, whereas the freight on pig iron from the Lehigh Valley to New York, a distance of less than a hundred miles, averaged $1.00.

The next illustration which we shall give of the comparative cost of producing iron and steel in this country and in Europe relates to bar iron. The figures we will quote for our own country will comprise only the cost of the labor employed in all the stages necessary to produce from the raw materials a ton of best refined bar iron. The period to which these figures refer is the early part of 1882. We prefer the figures we are about to give to those we have ourselves recently collected because they are from the hand of one of the most eminent, painstaking, and capable of American ironmasters, Mr. John Griffen, now deceased, but for many years the Superintendent of the Phœnix Iron Works, at Phœnixville, Pennsylvania. In April, 1882, Mr. Griffen compiled for the American Iron and Steel Association from the books of the Phœnix Iron Company the following statement of the labor cost to that company of a ton of best bar iron, which cost was undoubtedly a fair average for the country at large.

1. PIG IRON.

Wages earned in mining enough ore for one ton pig iron	$5.18
Wages earned in mining enough limestone for one ton pig iron	.33
Wages earned in mining enough anthracite for one ton pig iron	1.71
Wages earned in making enough coke for one ton pig iron	.28
Wages earned in transporting above ore	.56
Wages earned in transporting above limestone	.06
Wages earned in transporting above anthracite	45
Wages earned in transporting above coke	.22
Wages earned by furnace hands in making one ton pig iron	2.75
Total wages earned in making one gross ton pig iron	$11.54

2. MUCK BAR.

It requires $1\frac{13}{100}$ gross tons of pig iron to make one gross ton of muck bar. If there are $11.54 labor earnings in one ton of pig iron, in $1\frac{13}{100}$ tons of pig iron, or one ton of muck bar, there are $13.04. The whole labor earnings in one gross ton of muck bar are as follows:

Wages earned in making $1\frac{13}{100}$ tons pig iron	$13.04
Wages earned in mining coal used in puddling one ton muck bar,	1.71
Wages earned in mining ore used in fettling one ton of muck bar,	.90
Wages earned in transporting the above coal	.56

Wages earned in transporting the above ore	.20
Wages earned by mill hands in making one ton of muck bar	7.44
Total wages earned in making one gross ton muck bar	$23.85

3. FINISHED BAR.

It requires $1\frac{20}{100}$ gross tons of muck bar to make one gross ton of finished bar, ready for the market. If there are $23.85 labor earnings in one ton of muck bar, in $1\frac{20}{100}$ tons of muck bar, or one ton of finished bar, there are $28.62. The whole labor earnings in one gross ton of finished bar are as follows:

Wages earned in making $1\frac{20}{100}$ tons muck bar	$28.62
Wages earned in mining coal used in heating one ton finished bar	.89
Wages earned in mining sand used to one ton of finished bar	.20
Wages earned in transporting above coal	.25
Wages earned by mill hands in making one ton finished bar	6.31
Total wages earned in making one gross ton of finished bar iron,	$36.27

4. SUMMARY.

The three preceding statements represent the successive steps in the transformation of iron ore, limestone, and fuel into bar iron. The following statement summarizes the whole operation, giving the quantities of raw materials used in making a ton of bar iron and the total earnings of the labor employed.

Wages earned in preparing $3\frac{53}{100}$ gross tons iron ore	$8.10
Wages earned in preparing $\frac{88}{100}$ gross ton limestone	.45
Wages earned in preparing $4\frac{84}{100}$ gross tons coal and coke	5.64
Wages earned in preparing $\frac{10}{100}$ gross ton sand	.20
Wages earned in transporting above materials	2.91
Wages earned at blast furnace and in mill	18.97
Total wages earned in making one gross ton of finished bar iron,	$36.27

The total cost of making a ton of bar iron embraces a number of other elements, including the cost of materials additional to their labor cost, freight charges above wages earned in transportation, insurance, taxes, commissions, interest, office expenses, etc. This total cost in the early part of 1882 was not given by Mr. Griffen, but it was about $50, which would make the labor cost of a ton of bar iron at the period mentioned 72 per cent. of the total cost. Substantially the same proportion of labor cost to total cost in the manufacture of bar iron undoubtedly exists in our rolling mills to-day. The workingman, therefore, has the largest stake in the duty on bar iron.

It is proper to explain that the low labor cost ($11.54) of producing a ton of pig iron by the Phœnix Iron Company in 1882 was due to the fact that the company drew its supply of iron ore mainly from its own ore mines, which were near at hand, and also to the fact that its supply of coal was mainly drawn from near-by sources, the wages paid for the transportation of these products being therefore exceptionally small.

The figures which have just been given have been used solely to show the relation of the labor cost to the total cost of a ton of bar iron. But they have another significance. The present exceptionally low price of American bar iron of best quality is about $39 per ton; the present price of best Welsh bar iron at shipping ports is £5, or about $25; Belgian bar iron can be bought at even lower prices; the duty is $17.92. A slight advance in the price at home if accompanied by a slight reduction of the duty would bring foreign bar iron into our markets in large quantities.

We need not multiply these illustrations. What has been shown of the labor cost of pig iron and bar iron might be shown substantially of all other iron and steel products. Labor constitutes the principal element in the cost of these products. Wages are higher, very much higher, in this country than in competing European countries, and hence not a tariff for revenue but a tariff for protection is needed to enable our manufacturers to pay these higher wages. We regard it as wholly unnecessary to present statistics showing the difference between the wages paid in this country and in European countries. That the gulf between the labor systems of this country and Europe is very wide requires no demonstration at this late day. If our present protective tariff should be reduced one of two possible results would certainly happen: either the wages of American workingmen would also have to be reduced, or our markets would become the prey of foreign manufacturers. This proposition is so self-evident that we wonder that any advocate of lower duties should affect to ignore it.

We respectfully submit, however, that the cost of production is not the only subject that deserves consideration in the framing of a tariff law. Our manufacturers should be protected against the possible unloading on our markets, at a loss, of the surplus products of other countries which can not be sold at a profit. They should be protected against the low ocean freights on European

commodities which usually prevail, and which are always much lower than our own railroad freights, low as the latter now are. The difference in the cost of transporting manufactured products by railroad from our own manufacturing centres to points of distribution or consumption on or near the sea-coast, or in the Gulf States, and the cost of transporting the same articles by water from Europe to the same markets is invariably in favor of the foreign manufacturer. Then, again, our manufacturers are required to pay higher rates of interest than their European competitors for the money that they may find it necessary to borrow in the ordinary conduct of their business or to carry them through periods of depression. They require higher profits, too, than the people of European countries. Owing to our higher wages and the higher cost of all our building materials much more capital is needed to establish a manufacturing enterprise in this country than in Europe. It may safely be assumed, for instance, that a blast furnace of given capacity which would cost $100,000 in Europe would cost $200,000 in our own country. To yield the same interest on the capital invested it will readily be seen that, if the two furnaces produce precisely the same quantity of pig iron annually, a profit of $1 per ton in Europe would call for a larger profit in this country. Nor should it be forgotten that the profits of manufacturing in this country are nearly always invested in new manufacturing enterprises, which employ additional labor.

Still another subject deserving of serious consideration in the framing of a tariff law is the depreciation in the value of the plants of manufacturing establishments. Improvements in processes are constantly taking place, many of which require the complete substitution of new machinery for old; even improved machinery wears out and must be replaced. The capital that is invested in a plant that must be in large part renewed or give way wholly to a more modern process of manufacture would be lost if provision were not made in a surplus fund for this class of contingencies, which fund must be supplied from profits that are independent of all considerations of cost of production. If our manufacturers are to keep abreast of the times, and particularly if they are to be prepared to order new machinery when the old wears out, they must realize profits that will allow for the depreciation in their plants; otherwise their enterprises perish.

THE FRUITS OF PROTECTION.

The statesmen of this country can not afford to misunderstand the elements of our national prosperity. Chief among these is our protective policy. Protection has done a great work for the people of this country during the past twenty-five years, and we are glad to be able to say that this fact is now generally recognized and appreciated, even by our industrial rivals in other countries. It is admitted by all except mere theorists that protection aids in the development of all the resources of the country; that it stimulates the investment of capital; that it gives steady employment to our own people; that it cheapens the cost of manufactured products while enhancing the wages of labor; that it cheapens the cost of transportation; that it furnishes a home market, and therefore a sure market, for much the larger part of our agricultural products; and, finally, that it keeps at home and in circulation large sums of money that would otherwise be sent abroad. This is what protection for the sake of protection does for us directly; incidentally it furnishes revenue to the Government through the duties collected on foreign commodities. A tariff for revenue only might furnish the same amount of revenue, but it would not insure steady employment to the people nor produce any of the other benefits which protection brings. The tariffs of 1846 and 1857 were purely revenue tariffs. While they were in operation no domestic industry prospered as it has since prospered under our protective policy. But for the Irish famine, the discovery of gold in California, and the Crimean war the fifteen years during which these tariffs were in operation would have been years of much greater industrial distress in our country than they were. That period in our history ended with the inability of the Government to pay its ordinary expenses; it was forced to become a borrower at usurious rates of interest. The country was then at peace. Under the Morrill protective tariff and its various supplements down to the present time the country's industrial life has not only been remarkably quickened, but the Government revenue from duties on imports has greatly increased. Never since the world began have the industries of any country been so wonderfully developed in a brief time as the industries of this country have been during the quarter of a century which has elapsed since the passage of the Morrill tariff in 1861.

Nevertheless the assertion is sometimes made that a protective tariff is a tax on consumers because it increases the cost of articles the manufacture of which is protected against injurious foreign competition. Those who make this assertion ignore the benefits of protection to which we have alluded, and they ignore also the price lists and market quotations in recent years, when the inflation of values caused by the expansion of the currency as an incident of our civil war had passed away. The following table will show that protection, instead of being a tax on consumers, has cheapened the price to them of leading manufactured articles of iron and steel since the break in 1873 of the inflated prices which the financial legislation of the war period had created. The prices we give embrace the revenue tariff period already alluded to and the protective tariff period which was ushered in by the Morrill tariff of 1861. These prices are yearly averages for No. 1 anthracite foundry pig iron, best refined bar iron, and iron rails, all per gross ton, at Philadelphia; nails, per keg, wholesale, at Philadelphia; and steel rails, per gross ton, at Pennsylvania mills.

REVENUE PRICES.

Years.	Pig iron.	Bar iron.	Iron rails.	Cut nails.
1846	\$$27\frac{7}{8}$	\$91.66	......	....
1847	$30\frac{1}{4}$	86.04	\$69	\$4.46
1848	$26\frac{1}{2}$	79.33	$62\frac{1}{4}$	4.30
1849	$22\frac{3}{4}$	67.50	$53\frac{7}{8}$	4.00
1850	$20\frac{7}{8}$	59.54	$47\frac{7}{8}$	3.65
1851	$21\frac{3}{8}$	54.66	$45\frac{5}{8}$	3.30
1852	$22\frac{5}{8}$	58.79	$48\frac{3}{8}$	3.08
1853	$36\frac{1}{8}$	83.50	$77\frac{1}{4}$	4.50
1854	$36\frac{7}{8}$	91.33	$80\frac{1}{8}$	4.60
1855	$27\frac{3}{4}$	74.58	$62\frac{7}{8}$	4.10
1856	$27\frac{1}{8}$	73.75	$64\frac{3}{8}$	3.94
1857	$26\frac{3}{8}$	71.04	$64\frac{1}{4}$	3.72
1858	$22\frac{1}{4}$	62.29	50	3.50
1859	$23\frac{3}{8}$	60.00	$49\frac{3}{8}$	3.96
1860	$22\frac{3}{4}$	58.75	48	3.13
Average	$26\frac{1}{4}$	71.52	$58\frac{3}{4}$	3.87

PROTECTIVE PRICES.

Years.	Pig iron.	Bar iron.	Steel rails.	Cut nails.
1874	\$$30\frac{1}{4}$	\$67.95	\$$94\frac{1}{4}$	\$3.99
1875	$25\frac{1}{2}$	60.85	$68\frac{3}{4}$	3.42
1876	$22\frac{1}{4}$	52.08	$59\frac{1}{4}$	2.98
1877	$18\frac{7}{8}$	45.55	$45\frac{1}{2}$	2.57
1878	$17\frac{5}{8}$	44.24	$42\frac{1}{4}$	2.31
1879	$21\frac{1}{2}$	51.85	$48\frac{1}{4}$	2.69
1880	$28\frac{1}{2}$	60.38	$67\frac{1}{2}$	3.68
1881	$25\frac{1}{8}$	58.05	$61\frac{1}{8}$	3.09
1882	$25\frac{3}{4}$	61.41	$48\frac{1}{2}$	3.47
1883	$22\frac{3}{8}$	50.30	$37\frac{3}{4}$	3.06
1884	$19\frac{7}{8}$	44.05	$30\frac{3}{4}$	2.39
1885 (9 mos.)	$17\frac{7}{8}$	39.37	$27\frac{1}{2}$	2.25
Average	23	53.00	$52\frac{5}{8}$	2.99

These figures show that pig iron, bar iron, and nails have been cheaper under protection than under a revenue policy, and that steel rails have been sold under protection at much cheaper prices

than iron rails were sold under a revenue tariff. Yet we do not contend for cheapness as the most desirable result of the protective policy. Steady employment of the people, good wages, general prosperity, and the ability to consume the products of industry are of far more importance.

The charge has also been made that protection is especially a tax upon the farmers because by increasing the cost of railroad materials it increases the cost of transporting agricultural products to market. That this charge is also made without reference to the facts is shown in the prices of steel rails already given and by the following table of average freight charges per bushel for the transportation of wheat, a representative product, from Chicago to New York from 1868 to 1884. This table was compiled by the Hon. Joseph Nimmo, Jr., late Chief of the Bureau of Statistics.

Years.	By lake and canal. *Cents.*	By lake and rail. *Cents.*	By all-rail. *Cents.*
1868	24.54	29.0	42.6
1869	23.12	25.0	35.1
1870	17.10	22.0	33.3
1871	20.24	25.0	31.0
1872	24.50	28.0	33.5
1873	19.19	26.9	33.2
1874	14.10	16.9	28.7
1875	11.43	14.6	24.1
1876	9.58	11.8	16.5
1877	11.24	15.8	20.3
1878	9.15	11.4	17.7
1879	11.60	13.3	17.3
1880	12.27	15.7	19.7
1881	8.19	10.4	14.4
1882	7.89	10.9	14.6
1883	8.40	11.5	16.5
1884, Jan. to Sept.,	6.60	9.75	13.0

Quotations are wanting for 1885.

It is shown by this table that since 1868, when the statistics commence, the freight on wheat from Chicago to New York has steadily and rapidly declined. The railroad companies have largely been enabled to reduce their rates of freight because protection, by encouraging domestic competition in the manufacture of steel rails, and in the manufacture of iron and other articles entering into the construction of cars and locomotives, has cheapened the cost of building and equipping railroads; and because the use of cheap steel rails, which protection alone had made possible, has largely increased the carrying capacity of the railroads without correspondingly adding to their operating expenses. The competition of the railroads compelled a reduction of freight rates by lake and canal. Protection, therefore, has not hindered but has greatly helped the farmers to send their products to market.

SHALL THE TARIFF OF 1883 BE REVISED?

We now come to consider the practical question involved in the suggestion from unofficial sources that the present tariff requires general revision. If our protective policy has been productive of only beneficial results to all the people of our country, and if these results are generally conceded, why should any reduction of duties be proposed in any quarter? First, because it is alleged that many duties in the present tariff are excessive and therefore burdensome; and, second, because it is alleged that the tariff as a whole is productive of too much revenue, and that the surplus revenue should be reduced in the interest of good government, as well as to relieve the people of unnecessary taxation. These reasons for precipitating another tariff agitation upon the country will be briefly examined.

We know of few duties in our present tariff that are higher than are needed for the protection of domestic industries, while, as we have shown, there are several rates of duty in the metal schedule that are wholly inadequate for the protection of our iron and steel industries and for the protection of the Government revenue. It is noticeable and significant that such demand as now exists for another revision of the tariff comes mainly from those who desire a still further reduction of duties than was accomplished in 1883, and who express no anxiety whatever concerning an increase of duties which would tend to restrict the importation of foreign goods.

No existing duty which has built up a useful American industry is too high. If a protective duty has enlisted capital, employed labor, promoted competition, reduced prices, contributed to our industrial independence, and restricted the drain of the precious metals to Europe to pay for the products of foreign capital and labor it should not be repealed or reduced the moment it has accomplished these beneficent results. So long as it remains on the statute-book it can harm no American interest; the competition which it has created will guard consumers against unreasonable prices; but repeal or reduce it and the industry which it has established is at once placed in jeopardy, the capital invested in it loses its sense of security, activity is succeeded by lethargy, and consumers are soon confronted with advancing prices the benefit of which the foreigner receives. Our experience under the compromise tariff of 1833 and the revenue tariffs of 1846 and 1857 proves the correctness of these statements. The compromise tariff of 1833, which succeeded the protective tariffs of 1824 and 1828, kept all the industries of the country in a dying condition for many years before its repeal; the tariffs of 1846 and 1857 conspicuously retarded the development of our iron industry. In a few years after the passage of the tariff of 1846 our iron-rail industry, which had been literally brought into existence by the protective tariff of 1842, was dead. The withdrawal of protection after it has once been granted has frequently injured the industries of this country fully as much as the failure to grant it when needed.

Why should a duty which has rendered the country a real service be repealed or reduced unless it is intended that the foreign manufacturer shall thereby secure more ready access to our markets? If experience shows that it has harmed no person but this foreign manufacturer why should any loyal American agree to surrender one hair's breadth of its patriotic provisions? If the duty on pig iron, for instance, has secured a home supply of every quality needed, and at lower prices than were ever known under a revenue tariff, why should the duty now be reduced when one of the certain effects would be to stop many American furnaces? If the duty on steel rails has reduced their price to the owners of American railroads below the lowest price they ever paid for inferior iron rails, why should it now be reduced when the only effect would be to enable the foreign manufacturer of steel rails to re-enter the American market from which our low prices have but recently driven him? What obligation rests on the people or the Government of this country to foster the manufactures of other countries and neglect their own?

But we are told that present duties yield too much revenue, and that they should be reduced twenty per cent. or more for this reason alone if for no other. Adopt the policy of a sweeping reduction for the reason stated and there would follow a certain increase of importations, with the possible absurd consequence of an increase, instead of a decrease, of revenue. Low duties would encourage importations for a time, until our people, through lack of profitable employment, would be unable to buy the products of either foreign or domestic industry. Then the revenue would surely decline, as it did under the revenue tariff of 1857. We can in this way reach a reduction of the revenue through the impoverishment of the people. This can not be what the advocates of another revision of the tariff

desire. A more humane and patriotic way to reduce the revenue would be to increase the duties and thus check importations.

Those who have the most to say about our surplus revenue have apparently failed to notice the fact that the receipts of the Government from both customs duties and internal taxes have greatly declined within the last two years. We have not before us all the statistics that we would be glad to present in this connection, but we give the following statement of the receipts and expenditures of the Treasury for the two fiscal years which ended on the 30th of June last.

Receipts.	1885.	1884.
Customs	$181,471,339	$195,067,490
Internal revenue	112,498,725	121,586,073
Miscellaneous	29,720,642	31,866,308
Totals	$323,690,706	$348,519,871

Expenditures.	1885.	1884.
Ordinary	$152,738,412	$134,118,638
Pensions	56,102,267	54,429,228
Interest	51,386,256	55,578,378
Totals	$260,226,935	$244,126,244

This statement shows that the receipts declined $24,829,165 in the last year, while the expenditures increased $16,100,691 in the same year, making a total loss to the Treasury of nearly $41,000,000 in the last year as compared with its predecessor. In the first of the two fiscal years mentioned the surplus of receipts over expenditures was $104,393,627, but in the last year it was only $63,463,771. That the receipts will be still less in the present fiscal year, which commenced on the 1st of July last, than in the preceding fiscal year is rendered certain by the decline which has already taken place; and that the surplus revenue will also be less is equally certain. It would seem that there is not likely to be very much surplus to worry about in the near future.

But, even if there should appear to be a reasonable prospect that the present tariff and the present internal revenue laws will yield a surplus revenue of several millions from year to year if they are not amended, is there no better way of reducing this surplus than by making a present of it to foreign manufacturers by a reduction of duties? Could not our own people be more wisely and patriotically relieved of that portion of the internal taxes which is derived from tobacco, and in this way relieve the Treasury of its surplus revenue? But, better still, why not use the surplus in improving our sea-coast defenses, in building the navy that is so sorely needed, in making guns and armor-plate that will be in accord with the military progress of the times, and in extending Government aid in the establishment of steamship lines which would carry the United States mail to foreign countries and carry the products of American industry to foreign markets from which we are now debarred by the more vigorous policy of foreign governments? To give our surplus revenue to foreigners under any circumstances, but especially when there is so much to be done to strengthen our defenses against possible foreign enemies, and to increase our commerce with foreign countries, is madness.

CONCLUSION.

We have thus, Mr. Secretary, frankly expressed our views on all the subjects referred to in your circular letter. We have also freely expressed our opinion concerning the question of a revision of the tariff which is likely to come before Congress. We have considered these subjects as business men who have to deal with facts and not with theories. We do not approve of the unofficial suggestion that there should be a general revision of the tariff. Our present tariff is a new tariff, less than three years old, and we know of no good reason why it should be revised, as is proposed, from beginning to end. That some of its provisions are injurious to our own people, and should be corrected so as to secure needed protection, we have pointed out, but so great is the danger to be apprehended from a general revision that we nevertheless strongly object to this revision being undertaken at this time. We do not lack faith in the intelligence or the patriotism of Congress, but we know from sore experience how impossible it is for Congress, with many important questions pressing for its consideration, to give to the details of a tariff bill the time and attention that are absolutely necessary if great interests are not to be overlooked and great errors committed. We especially deprecate a reopening of the tariff question at the present time, when the industries of the country are beginning to revive from a protracted period of depression, brought about by world-wide causes and common to all manufacturing countries. Agitation of the tariff question when accompanied by the threat of a reduction of duties is always a cause of business disturbance, but

it is particularly so at a time like this when employers and their workmen have just passed through a most trying ordeal, and are beginning to see the substantial evidences of that improvement which they have long hoped for. To be confronted with the ghost of tariff revision and reduction at such a time is of itself a most unwelcome experience, but if for that ghost there shall be substituted the bones and flesh of a tariff bill proposing a general revision and reduction of duties we hazard nothing in predicting that the effect on the business of the country will be simply disastrous. We pray, therefore, Mr. Secretary, in behalf of the great interests we represent, that such recommendations as you may make concerning the tariff will be practically limited to suggestions intended to secure such additional legislation as will make possible a more thorough enforcement of its existing provisions. In any suggestions of this character which you may make you will certainly have our hearty sympathy.

We are, Sir, Very Respectfully, Your Obedient Servants,

B. F. Jones, *President.*
Joseph Wharton,
Samuel M. Felton,
William Metcalf, } *Vice-Presidents.*
James M. Swank, *General Manager.*
J. B. Moorhead,
Frederick J. Slade,
E. Y. Townsend,
David Reeves,
Andrew Wheeler,
W. E. C. Coxe,
Paris Haldeman,
Percival Roberts, } *Members of the Executive Committee.*
George W. Cope, *Secretary.*

INDORSEMENT OF THE LETTER.

ACTION OF IRON AND STEEL MANUFACTURERS AND IRON ORE PRODUCERS.

We approve of the Letter of the American Iron and Steel Association to the Secretary of the Treasury, dated November 10, 1885.

ALABAMA.

Alice Furnace Company, Birmingham.
Gadsden Iron Company, Gadsden, Etowah county.
Noble Brothers & Co., Anniston, Calhoun county.
Tecumseh Iron Company, Tecumseh, Cherokee county.

CALIFORNIA.

Judson Manufacturing Company, Oakland.

COLORADO.

Colorado Coal and Iron Company, South Pueblo, Pueblo county.

CONNECTICUT.

Kent Iron Company, Kent Furnace, Litchfield county.
Mitchell Brothers, Norwich.
Thames Iron Works, Norwich.
Windsor Locks Steel Company, Bridgeport.

DELAWARE.

Diamond State Iron Company, Wilmington.
J. R. Bringhurst, Marshallton, New Castle county.
Lobdell Carwheel Company, Wilmington.
Marshall Iron Company, Newport.
Seidel and Hastings Company, Wilmington.

GEORGIA.

Cherokee Iron Company, Cedartown.
Walker Iron and Coal Company, Rising Fawn, Dade county.

ILLINOIS.

Calumet Iron and Steel Company, Chicago.
Haxtun Steam Heater Company, Kewanee, Henry county.
Joliet Steel Company, Joliet, by A. J. Leith, President.

Pine Lake Iron Company, Chicago.
Pullman Iron and Steel Company, Pullman.
Springfield Iron Company, Springfield.
Union Steel Company, Chicago.
Western Nail Company, Belleville, St. Clair county.

INDIANA.

La Fayette Car Works, La Fayette, by B. F. Masten, President.
Ohio Falls Iron Works, New Albany.
Terre Haute Iron and Nail Works, Terre Haute.
Wabash Iron Company, Terre Haute.

IOWA.

Burlington Rolling Mill Company, Burlington.

KENTUCKY.

Ashland Coal and Iron Railway Company, Ashland.
Eastern Kentucky Railway Company, Greenup, Greenup county.
L. M. Dayton, Anchor Iron and Steel Works, Newport, Campbell county.
Mitchell, Tranter & Co., Covington.
Norton Iron Works, Ashland.

MARYLAND.

Abbott Iron Company, Baltimore.
Charles E. Coffin, Muirkirk, Prince George's county.
D. M. Reese & Sons, Baltimore.
George P. Whitaker Company, Principio, Cecil county.
H. Wm. Ellicott & Son, Baltimore.
McCullough Iron Company, Northeast, Elkton, and Rowlandville, Cecil county.
Stickney Iron Company, Baltimore.

MASSACHUSETTS.

Bay State Iron Company, Boston.
Fall River Iron Works Company, Fall River.
Gilmore & Eustis, Cambridgeport.
Gosnold Mills, New Bedford.
Robinson Iron Company, Plymouth.
Richmond Iron Works, Richmond Furnace, Berkshire county.
Wm. E. Coffin & Co., Boston.
Washburn and Moen Manufacturing Company, Worcester.

MICHIGAN.

Bradley, Graves & Co. Limited, Bangor, Van Buren county.
Champion Iron Company, Champion, Marquette county.
Cleveland Iron Mining Company, Ishpeming.
Deer Lake Company, Ishpeming, Marquette county.
Iron Star Furnace Company, Detroit.

Iron Star Mining Company, Detroit.
Jackson Iron Company, Fayette, Delta county, by Fayette Brown, General Agent.
J. M. Longyear, Marquette, Marquette county.
Leland Iron Company, Detroit.
Martel Furnace Company, St. Ignace.
Penn Iron Mining Company, Vulcan.
Peninsular Iron Company, Detroit.
Republic Iron Company, Republic, Marquette county.
Spring Lake Iron Company, Fruitport, Muskegon county.
Vulcan Furnace Company, Newberry, Chippewa county.

MINNESOTA.

Minnesota Iron Company, St. Paul, by George C. Stone, General Manager.

MISSOURI.

Chouteau, Harrison and Valle Iron Company, St. Louis.
Helmbacher Forge and Rolling Mills Company, St. Louis.
Midland Blast Furnace Company, Midland, Crawford county.
Missouri Iron Company, St. Louis.
Sligo Furnace Company, St. Louis.
Tudor Iron Works, St. Louis.

NEW JERSEY.

American Sheet Iron Company, Phillipsburg.
Andover Iron Company, Phillipsburg, by F. A. Comly, Treasurer.
Benjamin Atha & Co., Newark.
Cumberland Nail and Iron Company, Bridgeton.
George E. Righter, Parsippany, Morris county.
Jersey City Steel Company, Jersey City.
Joseph Wharton, Port Oram and Warren Furnaces, Port Oram and Hackettstown.
Martin J. Ryerson, Bloomingdale.
Oxford Iron and Nail Company, Oxford, Warren county.
Passaic Rolling Mill Company, Paterson.
Passaic Zinc Company, Hudson county, by Manning & Squier, New York.
Port Oram Manufacturing Company, Port Oram, Morris county.
Spaulding, Jennings & Co., West Bergen, Jersey City.
Taylor Iron Works, High Bridge, Hunterdon county.
W. J. Taylor & Co., Chester, Morris county.

NEW YORK.

Ausable Horse Nail Company, Keeseville, Essex county.
Bowen & Signor, Saranac.
Charlotte Iron Works, Rochester.

Clove Spring Iron Works, Clove Valley, Dutchess county, by John S. Schultze, President.
Crown Point Iron Company, Crown Point.
Chateaugay Ore and Iron Company, Plattsburgh, Clinton county.
C. W. Tuttle & Co., Auburn.
D. F. Payne, Wadham's Mills, Essex county.
Dover Furnace Iron Company, Dover Furnace, Dutchess county.
Elmira Iron and Steel Rolling Mill Company, Elmira.
Forest of Dean Iron Ore Company, Poughkeepsie.
Gere Iron and Mining Company, Port Leyden.
Hon. Frederick Miles, Copake Iron Works, Columbia county.
Horicon Iron Company, Ticonderoga.
Jagger Iron Company, Albany, by James Hendrick, President.
John Leonard, New York City.
J. & J. Rogers Iron Company, Black Brook, Clinton county.
J. F. Reynolds, Irona, Clinton county.
Kirkland Iron Company, Kirkland, Oneida county.
Manhattan Iron Works Company, Manhattanville, New York City.
Morrison, Colwell & Page, Troy.
N. Gridley & Son, Wassaic, Dutchess county.
Peter Tremblay, Clayburgh, Clinton county.
Poughkeepsie Iron Company, Poughkeepsie.
Rome Merchant Iron Mill, Rome.
Rome Iron Works, Rome.
Sterling Iron and Railway Company, New York City.
Syracuse Iron Works, Syracuse.
Stower & Esmond, Essex, Essex county.
Troy Steel and Iron Company, Troy.
The E. D. Clapp Manufacturing Company, Auburn.
William Mulligan, Saugerties.
West Point Furnace Company, Cold Spring, Putnam county, by J. Wesley Pullman, Treasurer.
W. F. & S. H. Weston, Keene and Wilmington, Essex county.
Wheeler, Madden & Clemson Manufacturing Company, Middletown.
Wm. W. Wood, Wood's Falls, Clinton county.

NORTH CAROLINA.

Roan Mountain Steel and Iron Company, Wilder's, Mitchell county.

OHIO.

Andrews & Hitchcock, Youngstown.
Ætna Iron and Nail Company, Bridgeport.
Akron Iron Company, Akron.
Bolton Steel Company, Canton.
Brier Hill Iron and Coal Company, Youngstown.

Brown, Bonnell & Co., Youngstown, by Fayette Brown, Receiver.
Buckeye Furnace Company, Riverton, Jackson county.
Burgess Steel and Iron Works, Portsmouth.
Cartwright, McCurdy & Co., Youngstown.
Campbell, McGugin & Co., Olive Furnace, Lawrence county.
Cherry Valley Iron Works, Leetonia, Columbiana county.
Campbell Iron Company, Ironton.
Cleveland Hardware Company, Cleveland.
Cleveland Rolling Mill Company, Cleveland.
Campbell, McGugin & Co., Olive Furnace, Lawrence county.
Eliza Furnace and Coal Company, Wellston.
Eagle Furnace Company, Youngstown.
Etna Iron Works, Ironton.
Falcon Iron and Nail Company, Niles, Trumbull county.
Globe Iron Company, Jackson.
Globe Rolling Mill Company, Cincinnati.
Geo. H. & S. P. Ely, Cleveland.
Hecla Iron and Mining Company, Ironton, Lawrence county.
H. Campbell & Sons, Ironton.
Hamden Furnace Company, Portsmouth.
J. D. Clare & Co., Bloom Switch, Scioto county.
Joseph Corns & Son, Massillon.
Junction Iron Company, Mingo Junction.
Laughlin Steel Company, Mingo Junction.
Lawrence Furnace Company, Culbertson, Lawrence county.
Lake Erie Iron Company, Cleveland.
Lawrence Iron Works Company, Ironton.
Means, Kyle & Co., Hanging Rock.
Milton Furnace and Coal Company, Wellston, Jackson county.
Mahoning Valley Iron Company, Youngstown.
New York and Ohio Iron and Steel Company, Ironton.
Ohio Iron Company, Zanesville.
Otis Iron and Steel Company, Cleveland.
Paulding Iron Company Limited, Cecil, Paulding county.
Penn Iron and Coal Company, Canal Dover, Tuscarawas county.
Reeves Iron Company, Canal Dover.
Solid Steel Company, Alliance.
Struthers Iron Company, Struthers, Mahoning county.
Summers Brothers & Co., Struthers, Mahoning county.
Sarah Furnace Company, Ironton.
Trumbull Iron Company, Girard.
Union Rolling Mill Company, Cleveland.
Wellsville Plate and Sheet Iron Company, Wellsville.
Youngstown Steel Company, Youngstown.

OREGON.

Oregon Iron and Steel Company, Oswego.

PENNSYLVANIA.

Alan Wood & Co., Conshohocken, Montgomery county.
Alexander Foster & Co., Philadelphia.
Allentown Iron Company, Allentown.
Allison Manufacturing Company, Philadelphia.
Altoona Iron Company, Altoona.
Anderson, DuPuy & Co., Pittsburgh.
A. & P. Roberts & Co., Philadelphia.
Bellefonte Iron and Nail Company Limited, Bellefonte.
Bernard Lauth, Howard, Centre county.
Blair Iron and Coal Company, Hollidaysburg.
Boyce, Rawle & Co., Sharon, Mercer county.
Brown & Co., Pittsburgh.
Bethlehem Iron Company, Bethlehem.
Boyce, Wheeler & Co., Sharon, Mercer county.
Beaver, Marsh & Co., Winfield, Union county.
Becker & Reinhold, Chickies, Lancaster county.
Carbon Iron and Pipe Company Limited, Mauch Chunk.
Carrie Furnace Company, Pittsburgh.
Cambria Iron Company, Johnstown.
Canonsburg Iron Company Limited, Pittsburgh.
Charlotte Furnace Company Limited, Scottdale, Westmoreland county.
Chartiers Iron and Steel Company Limited, Pittsburgh.
Chess, Cook & Co., Pittsburgh.
Chester Rolling Mills, Thurlow, Delaware county.
Chickies Iron Company, Chickies, Lancaster county.
Cordelia Iron Company, Reading.
Corydon Winch, Philadelphia.
Curtins & Co., Roland, Centre county.
Cameron Furnace Company, Middletown, Dauphin county.
Conewago Iron Company, Middletown, Dauphin county.
Crawford Iron and Steel Company, New Castle, Lawrence county.
Carnegie Brothers & Co. Limited, Pittsburgh.
C. W. Ahl's Son, Boiling Springs, Cumberland county.
Catasauqua Manufacturing Company, Catasauqua.
C. A. Godcharles & Co., Milton, Northumberland county.
C. Burkhart & Co., Chambersburg.
Danville Nail and Manufacturing Company, Danville.
Denniston, Porter & Co., Hollidaysburg.
Dunbar Furnace Company, Dunbar, Fayette county.
Duncannon Iron Company, Duncannon.
Davenport & Fairbairn, Erie.

E. & G. Brooke Iron Company, Birdsboro, by George Brooke, President.
Edward S. Buckley, Philadelphia.
Esther Kaufman, St. Peters, Chester county, by Thomas Wanner, attorney.
Eureka Cast Steel Company, Chester.
Everson, Hammond & Orr Limited, Pittsburgh.
Fayette Coke and Furnace Company, Oliphant Furnace, Fayette county, by A. B. deSaulles, Manager.
F. B. & A. Laughlin, Pittsburgh.
Gabel, Jones & Gabel, Pottstown.
Glendon Iron Company, Easton.
Green Ridge Iron Works, Scranton.
Grove Brothers, Danville.
Glamorgan Iron Company, Lewistown.
Henderson, Forker & Co., Sharpsville, Mercer county.
Hollidaysburg and Gap Iron Works, Hollidaysburg.
Hoopes & Townsend, Philadelphia.
Hughes & Patterson, Philadelphia.
Hussey, Howe & Co. Limited, Pittsburgh.
Hartman Steel Company Limited, Beaver Falls.
Hollidaysburg Iron and Nail Company, Hollidaysburg.
H. M. Myers & Co., Beaver Falls.
Henry Disston & Sons, Philadelphia.
Isabella Furnace, Barneston, Chester county, by William M. Potts, Manager.
Isabella Furnace Company, Etna, Allegheny county.
Jackson & Woodin Manufacturing Company, Berwick, Columbia county.
James Hooven & Son, Norristown.
James Moore, Philadelphia.
James Rowland & Co., Philadelphia.
John Whitehead, Huntingdon, Huntingdon county.
J. H. Sternbergh, Reading.
J. King McLanahan, Hollidaysburg, Blair county.
Joseph D. Potts, Philadelphia.
J. Painter & Sons, Pittsburgh.
J. Wood & Brothers, Conshohocken, Montgomery county.
J. E. Emerson, Beaver Falls.
Jawood Lukens, Conshohocken, Montgomery county.
John Cornog, Downingtown, Chester county.
Jones & Laughlins Limited, Pittsburgh.
J. & R. Meily, Lebanon.
Kirkpatrick & Co. Limited, Pittsburgh.
Laughlin & Co. Limited, Pittsburgh.
L. Heber Smith, Joanna Furnace, Berks county.
Lebanon Iron Company, Lebanon.

Lehigh Iron Company, Allentown, by Wm. H. Ainey, President.
Lehigh Zinc and Iron Company Limited, Bethlehem.
Lewisburg Nail Works, Lewisburg.
Logan Iron and Steel Company, Lewistown, by H. T. Townsend, President.
Liggett Spring and Axle Company Limited, Pittsburgh.
Lochiel Rolling Mill Company, Harrisburg.
Linden Steel Company Limited, Pittsburgh.
McCoy & Linn, Milesburg, Centre county.
Macungie Iron Company, Macungie, Lehigh county.
Marshall Brothers & Co., Philadelphia.
Marshall Brothers, Newport, Perry county, by P. Hiestand, Superintendent.
Maidencreek Iron Company, Reading.
McDaniel and Harvey Company, Philadelphia.
Merion Iron Company, West Conshohocken, Montgomery county.
Midvale Steel Company, Philadelphia, by William Sellers, President.
Milton Iron Company, Williamsport and Milton.
Monocacy Furnace Company, Monocacy, Berks county.
Montour Iron and Steel Company, Danville.
Montgomery Iron Company, Port Kennedy, Montgomery county.
National Tube Works Company, McKeesport, Allegheny county.
Nevegold, Scheide & Co., Bristol.
Oliver and Roberts Wire Company Limited, Pittsburgh.
Ormrod, Fisher & Co., Emaus, Lehigh county.
Parkesburg Iron Company, Parkesburg, Chester county.
Peacock & Thomas, Lancaster.
Philadelphia Rolling Mill and Blast Furnace, S. Robbins & Son, Philadelphia.
Phœnix Iron Company, Phœnixville, Chester county, by David Reeves, President.
Pierce, Kelly & Co., Sharpsville, Mercer county.
Pittsburgh Bessemer Steel Company Limited, Pittsburgh.
Portage Iron Company Limited, Duncansville.
Potts Brothers Iron Company Limited, Pottstown.
Pottstown Iron Company, Pottstown.
Pottsville Iron and Steel Company, Pottsville.
Pittsburgh Steel Casting Company, Pittsburgh.
Pittsburgh Bessemer Steel Company Limited, Pittsburgh.
R. A. Bostley & Co., Towanda.
Reading Iron Works, Reading.
Red Run Coal Company, Roaring Branch, Lycoming county.
Reuben Johnson & Co., Northumberland.
Rhodes & Co., New Castle, Lawrence county.
Robert Hare Powel's Sons & Co., Saxton, Bedford county.

Rockhill Iron and Coal Company, Orbisonia, Huntingdon county.
Schuylkill Haven Iron Company, Schuylkill Haven.
Schall, Steacy & Denney, York, York county.
Seidel Brothers, Harrisburg and Marysville.
Sharon Iron Company, Sharon, Mercer county.
Sherk & Meily, Lebanon.
Shoenberger & Co., Pittsburgh.
Shoenberger, Speer & Co., Pittsburgh.
Singer, Nimick & Co. Limited, Pittsburgh.
Smith Brothers & Co., Pittsburgh.
Spang, Chalfant & Co., Pittsburgh.
Standard Nail and Iron Company, Williamsport.
Standard Steel Casting Company, Thurlow, Delaware county.
Stewart Iron Company Limited, Sharon, Mercer county, by David Stewart, Chairman.
Susquehanna Iron Company, Columbia.
South Mountain Mining and Iron Company, Pine Grove Furnace, Cumberland county.
Spearman Iron Company, Sharpsville, Mercer county.
Scranton Steel Company, Scranton.
Thomas E. Williams, Shartlesville, Berks county.
Thomas Iron Company, Hokendauqua, Lehigh county.
Thorndale Iron Works, Thorndale, Chester county.
United States Iron and Tinplate Company Limited, Demmler, Allegheny county.
Valentines & Co., Bellefonte.
Van Alen & Co., Northumberland.
Volta Iron Company Limited, Pittsburgh.
Warwick Iron Company, Pottstown.
W. D. Wood & Co. Limited, Pittsburgh.
West Lebanon Rolling Mill Company Limited, Lebanon.
William Neal & Sons, Bloomsburg.
William McIlvain & Sons, Reading.
William & Harvey Rowland, Frankford, Philadelphia.
Wm. Sellers & Co., Philadelphia.
Wheeler Furnace Company, Sharon.
West Penn Steel Works, Leechburg.

TENNESSEE.

Citico Furnace Company, Chattanooga.
Chattanooga Iron Company, Chattanooga.
Dayton Coal and Iron Company Limited, Dayton.
Roane Iron Company, Chattanooga.
Southern Steel Company, Chattanooga.
Tennessee Coal, Iron, and Railroad Company, Nashville.

T. G. McConnell, Laurel Bloomery, Johnson county.
Warner Iron Company, Warner, Hickman county.

VIRGINIA.

Crozer Steel and Iron Company, Roanoke.
Dr. Frank King, Van Buren Furnace, Shenandoah county.
D. S. Cook, (Princess Furnace,) Glen Wilton.
Estate of S. F. Jordan, (Amherst Furnace,) Snowden, Amherst county.
Low Moor Iron Company of Virginia, Low Moor, Alleghany county.
Longdale Iron Company, Longdale, Alleghany county, by F. A. Comly, President.
Salisbury Iron Manufacturing Company, Salisbury Furnace, Botetourt county.
Shenandoah Iron Company, Milnes, Page county.

WEST VIRGINIA.

Belmont Nail Company, Wheeling.
Keller & Co., Capon Iron Works, Hardy county.
Laughlin Nail Company, Wheeling.
Quinnimont Coal and Iron Company, Quinnimont, by F. A. Comly, President.
Riverside Iron Works, Wheeling.

WISCONSIN.

Appleton Furnace Company, Appleton, Outagamie county.
Fond du Lac Iron Company, Fond du Lac.
National Furnace Company, De Pere, Brown county.

Received too late to classify.

Franconia Iron Works, James C. Warr, Wareham, Massachusetts.
H. A. Putnam, Elizabethtown, New York.
A. McDonald & Brother, St. Louis, Missouri.

APPENDIX.

CORRESPONDENCE WITH THE TREASURY DEPARTMENT.

[CIRCULAR TO MANUFACTURERS.]

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., July 17, 1885.

SIR: Investigations of the methods of entry and appraisement of imported merchandise have shown that the tariff laws are largely evaded by undervaluation wherever the duties are levied *ad valorem*. A remedy suggested for this evil is the adoption of specific duties. With a view of obtaining information on this subject which may be useful to Congress in fiscal legislation, and as an aid in the improvement of the customs-revenue system, it is deemed proper to ask the advice of those directly interested in the various industrial arts of the country which may be affected by tariff legislation, and which suffer more or less by reason of defective methods of administration. You are, therefore, requested to give your views as to the feasibility of simplifying the tariff and making the duty specific, so far as applicable to imported articles, such as are made or produced in the United States, in which you are interested, or with which you are familiar, with as full information on the subject as you may be pleased to submit.

It is desirable that, in addition to a schedule showing the rates of specific duty which in your opinion should be levied upon the various kinds and qualities of merchandise embraced therein, the information furnished may cover the following points:

First.—Commercial or technical designation of the article, with sample or samples.

Second.—Cost of production of a given unit of quantity, by weight or measure, with the following details as to each kind or quality of article, viz.: (*a*) Cost of materials, character of same, (as, for example, if wool, the kind of wool,) whether of foreign or domestic origin. If foreign, what part of the value represents duties paid thereon. (*b*) Cost of labor in detail, giving each item specifically, and the rates of wages paid. (*c*) Operating expenses, and how distributed. (*d*) Interest. (*e*) Other elements of cost not covered by the above.

Third.—Description of buildings and machinery, and amount of capital invested in each.

Fourth.—If the foreign article of similar kind and quality is subject to *ad valorem* duty, state as nearly as practicable the specific equivalent per a given unit of weight or measure.

Fifth.—Mention any exceptional element of advantage or disadvantage in manufacturing, such as location of the factory with reference to market or means of transportation, accessibility of supplies, nature of the power or kind of machinery used, character of labor employed, rates of wages paid, amount of taxes, or exemption from taxation, etc.

You are also requested to forward such information as you may be able to submit showing the relative cost of manufacture of the same article in the United States and in Europe, particularly with regard to the cost of labor, as affected by the rate of wages paid in the different countries. State how much the total cost of a given unit of production is increased in the United States over European countries by reason of the difference in wages paid and the rate of interest on capital employed. State also to what extent, within your knowledge of the special trade with which your business is connected, the present laws imposing taxes on the imported article have been evaded and how the same can be corrected, whether by specific duties or otherwise, and to what extent the home industry with which you are connected has suffered from this cause. It is not intended that your reply shall be confined to the form or scope of the inquiries above suggested, but you are invited to give the fullest expression of your views on the general subject indicated, in such manner and form as you may deem best.

Publicity will not be given to names, location, or facts relating to the business of individuals or corporations. These will be treated as private, if so desired. Please reply at your earliest convenience.

Very Respectfully, DANIEL MANNING, *Secretary.*

OFFICE OF THE AMERICAN IRON AND STEEL ASSOCIATION,
No. 261 *South Fourth st., Philadelphia, July* 18, 1885.

HON. DANIEL MANNING, *Secretary of the Treasury, Washington, D. C.*

SIR: I am in receipt of your circular letter of the 17th inst. in relation to proposed changes in the tariff laws. The subjects presented for consideration cover a wide field of inquiry and investigation, and a thorough study of them would occupy several weeks and possibly months of time. I am, however, willing to begin their consideration at once, but before doing this I will thank you to advise me whether you expect this office to respond for the whole iron and steel industries of the country, or whether you expect us to give only our own views as an Association, accompanied by such general information as may be pertinent to the scope of the circular. This Association embraces a large membership of iron and steel manufacturers. If desired we could undertake the collection of information from representative manufacturers in every part of the country. If we should agree to do this, however, we would be embarrassed and the work in hand would be greatly complicated if the Department should at the same time request replies from individual manufacturers. Such replies as we might receive we could digest, and the information obtained could be systematized and tabulated. I do not, however, suggest that this is the best method of obtaining the information you desire. My only object in calling attention to the matter is that we may know how you wish us to proceed in the premises.

Very Respectfully Yours, JAMES M. SWANK, *General Manager.*

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., July 21, 1885.

JAMES M. SWANK, ESQ., *General Manager American Iron and Steel Association, Philadelphia.*

SIR: I have received your letter of the 18th inst. in reference to my circular asking information concerning manufactures in which your Association is interested. I have also received a communication from Mr. Joseph Wharton, Vice-President of your Association, on the same subject.

You indicate your willingness to collect information from representative manufacturers of iron and steel products and tabulate the same for the use of this Department. You state, however, that you would be embarrassed if the Department should at the same time request replies from individual manufacturers, and desire to know before you commence the collection of statistics what action the Department will take in this regard.

In reply I beg to say that the circular letter referred to has already been sent to a number of individual firms and corporations engaged in the iron and steel industries, and will probably go to others, as I desire to obtain the fullest information from all possible sources.

I think you are in error in the supposition that this course will cause you embarrassment in collecting and collating information in the way you propose. The great value of information thus collected, digested, and tabulated under your direction is fully appreciated, and I shall be greatly obliged for any suggestions which your thorough familiarity with the subject and great experience in these matters may dictate.

I trust, therefore, you will proceed with the work in the manner proposed by you, and favor the Department with the results as soon as practicable. Very Respectfully, D. MANNING, *Secretary.*

OFFICE OF THE AMERICAN IRON AND STEEL ASSOCIATION,
No. 261 South Fourth st., Philadelphia, July 23, 1885.

HON. DANIEL MANNING, *Secretary of the Treasury, Washington, D. C.*

SIR: Your letter of the 21st instant, in relation to the collection of information in reply to your circular letter of the 17th instant, has been received, and shall have careful consideration. In a few days I will be able to advise you of the extent to which our investigation of the subjects referred to in the circular letter can be carried.

Very Respectfully Yours, JAMES M. SWANK, *General Manager.*

OFFICE OF THE AMERICAN IRON AND STEEL ASSOCIATION,
No. 261 South Fourth st., Philadelphia, July 25, 1885.

HON. DANIEL MANNING, *Secretary of the Treasury, Washington, D. C.*

SIR: At a conference this morning with some of our friends the second point of your circular letter in relation to duties on foreign goods was under consideration. We all agreed that the cost of production to-day or at any time during the present year is entirely too low to be made the basis of legislation. Labor is paid less than it should receive, and capital as a rule is not adequately rewarded. It is desirable that the wages of labor should be increased as soon as possible. I respectfully suggest that all inquiries in relation to cost of production should be made to cover the average of the last three years, 1882, 1883, and 1884. The first year mentioned was a very prosperous year for all American industries; the next year was very much less prosperous; and 1884 was in many respects a disastrous year. It is our candid opinion that an average of the cost of production for the three years mentioned would furnish the only true basis for legislation. May I ask whether you would approve of this office making inquiries concerning the three years mentioned? To ask for present cost as a basis of legislation would be seriously objected to.

Very Respectfully Yours, JAMES M. SWANK, *General Manager.*

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., August 3, 1885.

JAMES M. SWANK, ESQ., *General Manager American Iron and Steel Association, Philadelphia.*

SIR: In reply to your letter of the 25th ultimo, in which you suggest that inquiries in regard to the cost of production of iron and steel should be made to cover the average of three years, (1882, 1883, and 1884,) I have to state that your suggestion meets the cordial approval of the Department. Very Respectfully,

C. S. FAIRCHILD, *Assistant Secretary.*

OFFICE OF THE AMERICAN IRON AND STEEL ASSOCIATION,
No. 261 South Fourth st., Philadelphia, August 12, 1885.

HON. C. S. FAIRCHILD, *Assistant Secretary of the Treasury, Washington, D. C.*

DEAR SIR: Your letter, dated about August 1st, in reference to the substitution of 1882, 1883, and 1884 for the present time in the collection of the statistics of the cost of production of manufactured products in our country, was duly received at our office and forwarded to me at Pittsburgh, where I then was. I had gone to Pittsburgh partly to excite interest in the Secretary's circular, and your letter was of much service to me in securing the promise of co-operation from leading Pittsburgh manufacturers. Returning from Pittsburgh I placed your letter in the hands of one of our prominent Bessemer steel manufacturers, who will to-day lay it before his associates in the business at a meeting to be held at Long Branch. With this explanation you will understand why the receipt of your letter was not promptly acknowledged by me. I am gratified that the Department takes the same view of the subject of your letter that is taken by this Association.

Herewith I inclose to you copies of a circular letter to all iron and steel manufacturers and of several series of interrogatories which we are now sending to them. I also inclose you copies of our *Bulletin* of last week and this week containing references to the Secretary's circular. You will perceive from these various publications that this office is doing all that it can do to secure the active co-operation of iron and steel and all other manufacturers in the important work which the Department has undertaken. We do not approve of the project of a general revision of the tariff at this time, but this matter being beyond our control we believe that it is the duty of manufacturers to give to the Department the information it has requested. I am hopeful now that there will be a general response to the Department's request. Several newspapers of influence have copied approvingly the editorial in our *Bulletin* of August 5th.

In sending out the interrogatories from this office it is not our intention to interfere in any way with the transmission of individual reports to the Department as requested in the Secretary's circular. Our object is solely to secure reports to this office from manufacturers who would not otherwise take the trouble to report to the Department.

I respectfully suggest that, in any communications the Department may have with industrial organizations of the country like our own, you might properly call their attention to the action we have taken. We have already sent copies of our *Bulletin* of August 5th to the officers of most of these organizations.

Very Respectfully Yours,
JAMES M. SWANK, *General Manager.*

CIRCULAR LETTERS FROM THE AMERICAN IRON AND STEEL ASSOCIATION.

Office of The American Iron and Steel Association,
No. 261 South Fourth st., Philadelphia, August 10, 1885.

To All Iron and Steel Manufacturers.

Gentlemen: Inclosed herewith you will find a copy of the circular letter from the Secretary of the Treasury in relation to proposed changes in the tariff laws; also a series of interrogatories, prepared by this office, in relation to the cost of producing the product, or products, of your works. I am in receipt of a personal letter from the Secretary urging this Association to assist him in obtaining the information called for in his circular letter, and the accompanying interrogatories have been framed to secure this information. It will be noticed that the Secretary's circular letter implies that the information he desires concerning cost of production shall relate to the present time, and that the interrogatories by this office embrace the years 1882, 1883, and 1884. I have the Secretary's express authority to make this important change in the scope of the investigation he has undertaken.

In *The Bulletin* of this Association for August 5th you will find an editorial article approving the Secretary's call for information, which I hope you will read carefully. In this article you will see that it is our true policy to give the information that is asked for. I hope, therefore, that you will at once reply to the interrogatories contained in the accompanying blank and send your reply to my address. I will use your answers only to enable this office to compile tabulated statements for the country at large for the use of the Secretary. We will not print, nor in any way disclose to any person but the Secretary of the Treasury, the replies you may make. We will tabulate the returns by States and districts, precisely as we do in compiling the ordinary statistics of this Association. I trust that you will co-operate promptly with this office in furnishing the Secretary with the information he desires. It is not desired nor proposed that any suggestions shall be made to him by this office concerning any changes in the present rates of duties, except in those cases where the duties are manifestly too low, as in the case of tin plates, or where an *ad valorem* duty should be exchanged for a specific duty. If you discover that the blank or blanks sent you are not precisely suited to your works, the character of the materials you use, or the kind of product you make, please correct the interrogatories or supply the omissions. We have given an abundance of room between lines for this purpose.

Very Respectfully Yours,
James M. Swank, *Vice-President and General Manager.*

Office of The American Iron and Steel Association,
No. 261 South Fourth st., Philadelphia, September 3, 1885.

To All Iron and Steel Manufacturers.

Gentlemen: I respectfully request that your reply to the interrogatories we have already sent you concerning Secretary Manning's circular be sent to me as soon as possible. We desire to make a summary during the present month of the replies sent to us by the manufacturers. If it is not convenient for you to give exact figures of cost of production for 1882, 1883, and 1884 please make careful estimates.

Allow me to call your attention to some observations in relation to Mr. Manning's circular which will be found on the first page of our *Bulletin* for the 2d instant. Very Respectfully Yours,

James M. Swank, *Vice-President and General Manager.*

ACTION OF THE AMERICAN IRON AND STEEL ASSOCIATION.

At a meeting of the Executive Committee of the American Iron and Steel Association, held at Philadelphia on Wednesday, October 14th, for the purpose of considering the circular letter of Secretary Manning in relation to duties on imports, the following resolutions were unanimously adopted.

1. *Resolved,* That we approve the action that has been taken by the officers of this Association in requesting, in response to the circular letter of the Secretary of the Treasury, information from iron and steel manufacturers concerning the cost of production of the various articles of iron and steel, believing that such information could not fail to justify the present duties on these products.

2. *Resolved,* That we regard the present tariff, which was enacted less than three years ago, after nearly two years of Congressional agitation, as being in the main a wise law, although it contains some defects which we would be glad to see corrected if this could be done without re-opening the whole question of tariff revision.

3. *Resolved,* That we are earnestly opposed to any scheme of tariff revision which contemplates any further changes in the present tariff than the judicious substitution of specific for *ad valorem* duties or the correction of such manifest errors as the low rate on tin plate—a rate which gives to England the monopoly of the manufacture of this indispensable article, and permits no American citizen to engage in its production.

4. *Resolved,* That it is our sincere opinion that, if a general revision of the tariff should be undertaken at the next session of Congress, the immediate effect would be to seriously check the welcome revival in business which has recently commenced in every part of the country, and we appeal to Congress to promptly declare its hostility to any such project.

5. *Resolved,* That we appeal to the President and to the Secretary of the Treasury to give assurance to the country in the official papers which they will soon prepare, in anticipation of the meeting of Congress, and which will be eagerly read by all the people, that the project of another general revision of the tariff at the present time does not receive their official sanction.

6. *Resolved,* That such information as has been collected by the American Iron and Steel Association concerning the cost of production of iron and steel shall be transmitted to the Secretary of the Treasury at as early a day as possible, and that copies of the foregoing resolutions be transmitted to the President and the Secretary immediately.

EXECUTIVE MANSION,
Washington, October 19, 1885.

JAMES M. SWANK, ESQ., *Vice-President American Iron and Steel Association, Philadelphia.*

MY DEAR SIR: The President directs me to acknowledge the receipt of your letter of the 14th inst., inclosing resolutions of the Executive Committee of the American Iron and Steel Association in relation to duties on imports, and to say that the suggestions contained therein will have due consideration.

Very Truly Yours, DANIEL S. LAMONT, *Private Secretary.*

LETTERS FROM IRON AND STEEL MANUFACTURERS TO THE AMERICAN IRON AND STEEL ASSOCIATION.

South Mountain Mining and Iron Co., Pine Grove Furnace, Cumberland county, Pa.—Our business of manufacturing iron blooms is injuriously affected by the *ad valorem* rate of duty on Scotch open-hearth steel blooms. We would recommend a specific duty of $21 per ton on such steel blooms.

McCullough Iron Co., of Wilmington, Delaware, and of Cecil county, Maryland.—The *ad valorem* rate of 45 per cent. on steel ingots and blooms should be changed to $1\frac{1}{2}$ cents per pound specific. The *ad valorem* rate of 30 per cent. on sheet iron thinner than No. 29 and on taggers iron also affects us injuriously. A specific duty of $1\frac{9}{10}$ cents per pound should be imposed on these thicknesses.

Bernard Lauth, Howard Iron Works, Centre county, Pa.—We want a higher rate of duty on charcoal pig iron. We want a tariff that will protect.

Wm. W. Wood, Wood's Falls, Clinton county, New York.—Our Champlain ore blooms are used for steel purposes and for wire rods. Add to their price $10 per ton for rolling and compare with the price of foreign iron wire rods, and it will be seen that foreign rods are much cheaper. Since the duty has been reduced on iron wire rods my forge has only been able to work to one-third of its capacity.

Wm. McIlvain & Sons, Reading, Pa.—We most earnestly take exception to *ad valorem* duties, inasmuch as they injuriously increase prices on a higher market and with equally bad effect tend to depress still more a low market. We would advocate in all cases absolute specific duties. In the case of materials of several grades or qualities, and subject to difference in price, a scale in the duties could be applied under a specific ruling, avoiding fluctuations in the market to a very great extent and establishing a permanency in trade that is desirable at all times.

Marshall Bros. & Co., Philadelphia.—We should have at least $1\frac{9}{10}$ cents to 2 cents per pound duty on taggers iron. The present *ad valorem* duty of 30 per cent. is no protection, as there is undervaluation on all the light sheets. A higher duty is also needed on heavier gauges. When sheet iron is sold here on a profitable basis we are affected at once by foreign sheets. We need the old duty, or the one recommended by the Tariff Commission of 1882, in order to successfully compete with foreign manufacturers.

Everson, Hammond & Orr, Pittsburgh, Pa.—We used to make largely No. 30 trunk sheets when the duty was $1\frac{3}{4}$ cents per pound; now, under the *ad valorem* duty of 30 per cent., the trade is entirely gone.

J. R. Bringhurst, Marshallton, Delaware.—Taggers iron should have a specific duty per pound at least equal to that imposed on No. 28 sheet iron, which is $1\frac{5}{10}$ cents per pound.

Marshall Iron Co., Newport, Delaware.—Our business of manufacturing sheet iron is injuriously affected by the low *ad valorem* duty on taggers iron, which should be subject to a specific duty of 2 cents per pound, and it is also affected by the inconsistent duty on imported tinned sheet iron, known as tin plate.

John A. Roebling's Sons Co., Trenton, New Jersey.—The wire-rod rolling mill of this company has been closed for nearly two years because it is impossible to compete with imported rods.

Hartman Steel Co. Limited, Beaver Falls, Pa.—No. 6 steel wire rods have been imported largely at as low a duty as $11.50 per ton, which is permitted under the rate of 45 per cent. *ad valorem*, as against the specific duty of $13.44 per ton which is levied on No. 5 rods. We would recommend $\frac{8}{10}$ cent per pound specific duty on rods lighter than No. 5.

McDaniel & Harvey Co., Philadelphia.—Our business of galvanizing sheet iron is most injuriously affected by the inadequate duty upon tin plates, terne plates, and taggers tin, which should be subjected to a duty of $2\frac{1}{2}$ cents per pound instead of 1 cent. In regard to the duty on sheet and taggers iron we have to say as follows: Taggers iron

has been, and still is, dutiable at 30 per cent. *ad valorem.* It is held to comprise sheets as heavy as No. 30 wire gauge, but it is a fact, admitted both by consumers and importers, that almost, if not quite, the whole consumption is of Nos. 36 and 38 wire gauge or lighter. These gauges are made in tin-plate sizes, namely, 10 inches by 14 inches, 14 inches by 20 inches, etc. But there is also a great deal of No. 30 sheet iron used for various purposes which is made in larger sheets of regular sheet-iron sizes, and which is, in fact, sheet iron and not taggers iron at all, strictly speaking. It is not right that this light sheet, the finest and lightest made, should be admitted at so much below the proper duty upon other gauges of light sheet iron, say Nos. 29, 28, and 27. American manufacturers of light sheets can not compete with foreign manufacturers with a duty of only 30 per cent. *ad valorem.* The difficulty of distinguishing between such light gauges as Nos. 29, 30, etc., is such that we have reason to fear that sheets heavier than No. 30 are imported under the guise of taggers iron, instead of at the proper duty of $1\frac{1}{2}$ cents per pound as sheet iron. The makers of light sheets suffer much in consequence. On the subject of undervaluation under the *ad valorem* duty of 30 per cent. it is needless to speak. There is always the possibility of it while the *ad valorem* rate exists, and we have every reason to believe, from comparison of the prices, at times, here and abroad, that such has been the case; but sufficient proof is, of course, difficult to obtain. In the interest of a proper tariff reform we ask that the schedule for sheet iron be extended so as to comprise all gauges from No. 25 to No. 33, instead of stopping at No. 29, as at present. This will not affect the users of real taggers iron, but will relieve the makers of light sheets in this country and stop an opening for improper importation. In regard to heavier sheet iron we desire to point out the absurdity, to say nothing of the injustice, of allowing a higher duty upon boiler plate than upon sheet iron. Boiler plate is set down at $1\frac{1}{4}$ cents per pound, while the duty on sheets up to No. 20 is only $1\frac{1}{10}$ cents. As four or five times more boiler plate than sheet iron can be rolled with the same expenditure of time and labor, sheet iron ought fairly to have a higher rate of duty than the former. The duty on boiler plate being placed at $1\frac{1}{4}$ cents per pound, then surely sheet iron from No. 12 to No. 20, inclusive, ought to have a duty adjusted higher than is now imposed upon it, or at least $1\frac{1}{4}$ cents per pound, and lighter gauges should have still higher duties to correspond.

George G. Lobdell, President Lobdell Car-Wheel Company, Wilmington, Delaware.—First. I think it very important that all duties should be specific, and if they are so levied I believe that much trouble and expense in collecting them will be saved, and much fraud be prevented. *Second.* The largest part of our business is the manufacture of chilled railroad wheels, chilled rolls, and castings of iron and brass.

These do not come in competition with like articles made in other countries; hence we are not directly interested in the amount of duties imposed on this class of articles. We are, however, indirectly interested in the general prosperity of the country, which prosperity regulates the demand for our products. This demand is always greatest and the prices are most remunerative when the country is prosperous and the finances of the country are in a sound condition, with the balance of trade in favor of the United States. The prosperity of the agriculturist, the manufacturer, the artisan, the merchant, and all other classes, together with a sound condition of the finances of the country, can not, in my opinion, be maintained without liberal protection on all articles that can be grown or made in this country. I believe that the stability and the perpetuity of the Republic depend on the intelligence and prosperity of the American laborer. I am, therefore, in favor of such rates of duties as will enable the people of this country to produce or manufacture everything that our soil, climate, forests, mines, and manufactories are capable of producing, and this, too, without being compelled to reduce the compensation of the workingmen of the country to the low rate paid in other countries. This company also manufactures charcoal pig iron, which is used in making railroad wheels and chilled rolls. This product comes into direct competition with charcoal pig iron made in Austria, Italy, Spain, and Sweden, and should be protected. A large portion of the cost of a ton of pig iron is for labor; labor in cutting and coaling the wood, mining the ore, hauling the coal and ore, and in smelting the ore. In view of this fact, and considering the great difference between the cost of labor in this country and that in European countries, I think that there should be a duty of not less than $10 per ton on all pig iron imported that is smelted with charcoal.

A. R. Whitney & Co., New York City.—Believing it is necessary to tell some business secrets for the purpose of accomplishing anything, I would state that we are obliged to sell steel hoops cut to length, namely, $1\frac{1}{2}$ inches by No. 18 and $1\frac{3}{4}$ inches by No. 17, delivered, for $1\frac{9}{10}$ cents per pound, which equals $42.56 per gross ton, or lose sales, as our customers can buy German steel hoops at this price. The duty on steel of every description valued at 4 cents per pound or less is 45 per cent. *ad valorem*, and these hoops to cost $42.56 here must be sold at the point of shipment at £6 per gross ton, or a trifle more than $29. Every dollar of the difference is represented by increased cost of labor here. Instead of an *ad valorem* duty of 45 per cent. we actually need $\frac{3}{4}$ of a cent per pound on steel hoops of large sizes, $1\frac{1}{2}$ inches by No. 18 and larger; 1 cent on $1\frac{1}{2}$ inches to $\frac{7}{8}$ inch or 1 inch; and $1\frac{1}{4}$ cents on smaller sizes. Common steel plates cost £7 at Glasgow, Scotland, or $1\frac{1}{2}$ cents per pound, and the best are £8 10s., or under 2 cents per pound, f. o. b. One cent a pound duty is little enough on steel plates $\frac{3}{16}$ inch and

thicker, and $1\frac{1}{4}$ cents on $\frac{3}{16}$ to No. 14, $1\frac{1}{2}$ cents on Nos. 14 to 20, and $1\frac{3}{4}$ cents on thinner.

O. P. Cobb, President Cobb's Iron and Nail Company, Aurora, Indiana.—I think the country is suffering more from tariff tinkering and the fear of it than from anything else. Within the last six years, since I have been manufacturing nails by my patent processes from wrought scrap iron, the price of raw material has come down from \$40 and \$50 per ton to \$14 and \$18 per ton, and tenpenny nails have fallen from \$5 per keg to \$1.70, and other branches of business have experienced nearly the same change. And this ruinous change in prices has all taken place while we have had a good currency and plenty of it, without any material change having been made in the tariff by Congress, but under its constant talk and threats to change the present tariff, specifically, horizontally, or to free trade, for party purposes. This, in my opinion, has done more to destroy confidence and ruin the former prosperity of our country even under the present tariff than all the faults that have yet been shown in that tariff.

Sheldon & Co., Auburn, N. Y.—We do not think it necessary to fill out these sheets, but we want to express to Secretary Manning, and through him to Congress, our aversion to any change in the tariff or any agitation on the subject. We are just recovering from a business depression, and now that we begin to see the light of day we hope and pray that the Secretary or Congress will not commence agitation of the tariff question, which will be certain to raise the very mischief with all kinds of business. There is nothing that a business man fears so much as the agitation of business subjects by Congress. It is with a sigh of relief that we read of its adjournment. Leave the tariff as it is and within a twelve-month every shop will be busy and the whole country will be happy.

James Rowland & Co., Philadelphia.—While we duly respect your impressions that it is proper policy to give the information asked, we can not but differ from such view. The interrogatories are too inquisitorial and a positive departure from our established impressions that the least developed about one's private business affairs the better it is for that business. The present tariff is good enough. If it is bringing in too much revenue all the better; let it come. Pay off the bonds, build ships, strengthen our present unprotected coast line, and with such a disposition of the excess of revenue consumption of our products would be established, and our labor would be compensated far above foreign pauper labor. If they do otherwise by cutting down protection we will be a nation of discontents, which will be destructive to democratic rule in the future. It seems to us that replying to Secretary Manning's inquiries simply accords with the idea of a change in the tariff being necessary. We have no such accord. We positively protest against the change.

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TITLE